GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1008
ANSWERED ON:29.07.2005
FOREIGN INVESTMENT IN POWER SECTOR
Rao Shri Sambasiva Rayapati

Will the Minister of POWER be pleased to state:

(a) whether the Government has devised new route for foreign investors in power trading business and recommended 100 per cent FDI in power trading through automatic approval route;

(b) if so, the details thereof; and

(c) the extent to which it is likely to help the power sector of the country?

Answer

THE MINISTER OF POWER (SHRI P.M. SAYEED)

(a) to (c) : It has been recommended to Department of Industrial Policy and Promotion that the Sectoral Policy on FDI be further liberalized by including FDI upto 100% in trading of electricity as a distinct activity on automatic approval route subject to compliance of the provisions of the Electricity Act, 2003 and the regulations of the appropriate Electricity Regulatory Commission.